

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE SOUTHERN DISTRICT OF TEXAS
HOUSTON DIVISION**

**IN RE: Particle Drilling Technologies, Inc.,
a Nevada Corporation, et al
Particle Drilling Technologies, Inc.,
a Delaware Corporation
DEBTOR**

**Bankruptcy Case: 09-33744-H1-11
Jointly Administered
Civil Case: H-09cv2366**

**PSI Distribution Incorporated,
ProDril Services International Limited,
Creditors
APPELLANTS**

MOTION FOR EXPEDITED APPEAL

COME NOW the Appellants, PSI Distribution Incorporated (“PSI”) and ProDril Services International Limited (“PSIL”), and file this their motion for expedited appeal and state as follows:

1. The Honorable Bankruptcy Judge, by Memorandum Opinion entered July 30, 2009, ruled that the Royalty Rights of the Appellants in valuable patents were mere unsecured debts and that the Debtor could give a DIP lender a super priority lien on the patents which lien would have priority over Appellants’ Royalty Rights. In addition, the Court ruled that the patents could be sold by the Debtor free and clear of Appellants’ Royal Rights even though there is an expressed prohibition of doing so in the Royalty Agreements.

2. The Bankruptcy Court has approved the scheduling of a sale of the drilling patents for August 24, 2009, some twenty-one days from today’s date.

3. The debtor in possession financing is due or matures on September 1, 2009.

4. The Court’s Order appealed from giving the DIP lender a priority lien over the Appellant’s Royalty Rights and allowing the sale free and clear of Appellants’ Royalty Rights has effectively

stripped the Appellants of rights that cost Appellants over Twenty Million Dollars (\$20,000,000) to develop.

5. If the sale is conducted as set on August 24, 2009, an innocent third party will buy the patents free and clear of the Royalty Rights of the Appellants and Appellants will forever lose their right for adequate recourse or remedy.

6. A decision by this Court in regard to the correctness of the Memorandum Opinion is needed before August 24, 2009; otherwise, a continued appeal by these Appellants will be of no effect and moot.

7. It is the belief of the Appellants that the Royalty Rights are worth as much as Two Hundred Million Dollars (\$200,000,000) over the term of the patents, and irreparable harm will be done to the Appellants if this Court is not able to hear and decide this appeal before the sale date scheduled on August 24, 2009.

8. Briefs have been prepared on these issues for the Bankruptcy Court, therefore the research has been done and the briefs will only need to be modified for the format of the district court per the local rules.

9. Further, the issues at hand are not based on any type of evidentiary or factual dispute, but are merely a matter of law in the interpretation of no more than five agreements in regard to Executory Contracts which are in evidence.

WHEREFORE, the Appellants ask this Court to expedite the appeal process and set an appropriate briefing schedule. The Appellants have designated the record and will be able to file their appeal brief by Friday, August 7, 2009.

Respectfully submitted,

PSI DISTRIBUTION INCORPORATED
AND PRODRIL SERVICES
INTERNATIONAL LIMITED,
APPELLANTS

BY: /s/ Michael D. Greer

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CERTIFICATE OF SERVICE

We certify that on August 5, 2009, a true and correct copy of the foregoing was filed electronically in compliance with local rules. As such, this document was served on all counsel who have consented to electronic service.

/s/ Michael D. Greer
F. G. JACK BOBO
MICHAEL D. GREER

CERTIFICATE OF CONFERENCE

The undersigned hereby certifies that counsel has complied with the requirements in Local Civil Rule 7.1. On August 4, 2009, counsel for PSI and PSIL conferred with counsel for Debtor, Hugh M. Ray, III, who opposed the motion for expedited appeal. Counsel for LC Capital Master Fund, Matthew Okin, neither opposed nor agreed with the motion. Further, counsel for PSI and PSIL has made several attempts over the last two business days to contact counsel for Heil, Ron Peterson, but has had no response.

/s/ Michael D. Greer
F. G. JACK BOBO
MICHAEL D. GREER